

Step 1- Get Serious and Get Pre-Approved!

Shop around for mortgage lenders and get pre-approved for a mortgage. We are glad to give you some local suggestions, here. Being “pre-approved” isn’t the same as being “approved” for a mortgage. It means you’ve taken the steps to provide the bank with some information about your finances, and they have let you know how much you should be approved to borrow.

Getting pre-approved accomplishes two important things:

1. You’ll know what you CAN spend. Just because you “can”, doesn’t mean you should though! Take a real look at your finances and decide, with your lender’s help, what is best for you.
2. It shows the seller that you are capable. Sellers won’t accept an offer on a house unless you have a pre-approval letter. Also, many agents will not show properties unless you have been pre-approved first. The houses that are on the market now, most likely will not be there in 6 months when you decide to finally go get pre-approved. No one wants to waste anyone’s time on buyer’s that are not serious about buying.

Step 2- Meet with a Realtor (at FJH Realty of course!)

Working with a seasoned Realtor from FJH Realty makes the entire buying process less stressful. Tap into your Realtor’s wealth of knowledge! The Realtors at FJH know areas you might not be familiar with, repairs to watch out for, and so much more. Home inspection? Who pays for that? What’s it for? Does that measure what the house is worth? Nope, that’s the appraisal. Different inspection! There are so many different aspects of buying a home that a Realtor knows about that you might not. Take advantage of that knowledge. You are not buying a new sweater, it’s a HOUSE. It’s bigger and there is not a mirror, so you don’t see all the angles. You need help! That’s what we are here for.

Step 3- Begin Your House Hunt!

It’s never been easier to look a variety of homes fast ... and in your PJs. Your Realtor will probably send you new listings of homes that meet your needs. When you find houses you’re interested in, just tell your Realtor. They’ll schedule a time for you to go tour homes together.

Step 4- When You Find “THE ONE.” Put in an offer!

Once you’ve found a home you love, it’s time to put in an offer. Many times, in this fast-paced market you will need to submit your offer shortly after viewing the home. There is nothing quite like falling in love with a home, only to lose it to another buyer because you wanted to “sleep on it.” It’s not mattress, and it might not be there when you wake up. Trust your Realtor!

You and your Realtor will discuss the amount you want to offer, and then your Realtor will send in a formal offer with a fixed window of time for the seller to accept, reject, or counter it.

Step 5- Negotiations

We will negotiate on your behalf. The price of the home can go up or down. Who pays closing costs? Does the seller throw in appliances? Your Realtor will do their best to help negotiate a fair deal while protecting your interests.

Step 6- Offer Accepted. You are officially Under Contract! Woohoo!

Once your offer is accepted, your house goes into Escrow, which is a magical land of waiting around. “Escrow” is where the house stays while all the other parts of the home-buying process are being completed.

Step 7- Get Inspections

Now’s the time to get the home professionally inspected. This is not required; however, we highly recommend it. This usually happens between 5-10 days after your offer is accepted. The home inspector measures the CONDITION of the house. Your purchase agreement will probably be contingent on the home inspection’s findings. That way, if the inspector finds something significant, you can pull out of the contract without losing your earnest money. For minor repairs, you can ask the seller to fix them. The buyer is responsible for the cost of the inspection, and it is usually paid for BEFORE the inspector will give you the report. Typically, between \$350- \$450. It can go higher depending on house.

Step 8- Your mortgage company orders an appraisal (If applicable)

If you are using a mortgage lender, the appraisal is required. The mortgage company takes care of all of this. The buyer is required to pay for the appraisal unless otherwise specified in your contract. The appraisal measures the VALUE of the property. It makes sure there are comparables in the area to support the contract price of the property.

Step 9- Paperwork and more waiting.

In this stage, your mortgage is being processed and underwritten. The deed is being reviewed. Most of this you don’t have to do, but you should expect to provide documentation of all kinds of things at this stage. Also, during this part of the process, your credit, debt-to-income ratio and all your financial information is being examined and verified by your mortgage company.

Don’t make any big purchases right now, don’t take out any other loans, and NO NEW CREDIT CARDS. All these things could affect your approval in a negative way.

Step 10- Final Walk Through

This usually happens a day or two before closing. You and your Realtor will walk through the home one last time to make sure all negotiated repairs have been taken care of and nothing that would affect the sale has changed (like a burst pipe, broken window, or a leaky roof).

Step 11- It's Closing day! YAY! You made it! Congrats on your new home!

Finally, it's time to sign some papers and get the keys! Better do some hand exercises because you'll sign your name about tons that day. It's worth it, though. Now you've got what you've been wanting – a wonderful home!

We'd love to help you find your next "Home Sweet Home"

We hope this guide has helped clear up some questions you might've had about the home buying process. If you have more questions, or if you are ready to start looking for your dream home, our staff of experienced Realtors are at your service. Just give us a call at 662.263.8600 to get started today!